

UNITED STATE DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GREEK ORTHODOX ARCHDIOCESE
FOUNDATION, by and through GEORGE
KERITSIS, TRUSTEE, Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

vs.

THE BEAR STEARNS COMPANIES, INC.,
JAMES E. CAYNE, ALAN D. SCHWARTZ,
and SAMUEL L. MOLINARO, JR.,

Defendants.

Case No. 08-cv-3013-RWS

EASTSIDE HOLDINGS, INC.
Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

vs.

THE BEAR STEARNS COMPANIES, INC.,
et al.

Defendants.

Case No. 08-cv-2793-RWS

**MOVANT GREEK ORTHODOX ARCHIDOCESSE
FOUNDATION'S REPLY IN FURTHER SUPPORT OF ITS
MOTION FOR APPOINTMENT OF LEAD PLAINTIFF, AND
APPROVAL OF LEAD PLAINTIFF'S SELECTION OF LEAD COUNSEL**

Movant Greek Orthodox Archdiocese Foundation (“Movant” or “Greek Orthodox”), submits this Reply in Further Support of its Motion seeking an Order from the Court: (1) appointing Movant Greek Orthodox Archdiocese Foundation as Lead Plaintiff pursuant to Section 21D(a)(3)(B) of the Securities Exchange Act of 1934 (the “1934 Act” or the “Exchange Act”), 15 U.S.C. §78u-4(a)(3)(B), as amended by Section 101(a) of the Private Securities Litigation Reform Act of 1995, Pub. L. No. 104-67, 109 Stat. 737 (the “PSLRA”); (2) approving Movant’s selection of the law firm of Federman & Sherwood as Lead Counsel; and (3) granting such other relief as the Court may deem just and proper.

I. INTRODUCTION

Movant Greek Orthodox is the best candidate for lead plaintiff because it suffered greater losses than competing Movant State Treasurer of the State of Michigan, Custodian of the Michigan Public School Employees Retirement System, State Employees’ Retirement System, Michigan State Police Retirement System, and Michigan Judges Retirement System (the “State of Michigan Retirement Systems” or “SMRS”) from purchases during the Class Period alleged in the complaint filed by Greek Orthodox, March 12, 2008 through March 14, 2008 (“Class Period”).¹ As set forth below, SMRS’ complaint fails to specify the distinct allegations that are solely alleged in Greek Orthodox’s complaint and, furthermore, SMRS did not purchase any securities and consequently suffered zero financial losses, during the three (3) day Class Period.

¹ As thoroughly discussed in Movant’s Memorandum of Law, pending before this Court are three (3) securities class action lawsuits filed on behalf of all persons who purchased or otherwise acquired the common stock of The Bear Stearns Companies, Inc. (“Bear Stearns” or the “Company”): (1) *Greek Orthodox Archdiocese Foundation v. The Bear Stearns Companies, Inc.*, 08-CV-3013 (S.D.N.Y.); (2) *Eastside Holding Inc., et al. v. The Bear Stearns, Inc., et al.*, Case #1:08-cv-02793-RWS (S.D.N.Y.); and (3) *Razill C. Becher, et al. v. The Bear Stearns, Inc., et al.*, Case #1:08-cv-02866-RWS (S.D.N.Y.). The complaints in *Becher* and *Eastside Holdings* allege class periods which begin on December 14, 2006 and end March 14, 2008.

As thoroughly discussed in Movant Greek Orthodox's Memorandum of Law in Support of Motion for Appointment of Lead Plaintiff, and Approval of Lead Plaintiff's Selection of Lead Counsel ("Memorandum of Law"), the Greek Orthodox action is unique because it involves a distinct three (3) day class period which alleges only one instance of misrepresentations and omissions. The shorter Class Period alleged in the complaint filed by Greek Orthodox begins on March 12, 2008, with Bear Stearns stock trading at around \$60 per share, the day Bear Stearns' now former CEO, Defendant Alan D. Schwartz, dismissed recurring speculation that the investment bank was facing a cash crunch. Complaint at ¶¶16-17. Specifically, Schwartz announced in a televised interview on CNBC that, "[w]e don't see any pressure on our liquidity, let alone a liquidity crisis." *Id.* at ¶¶16-17 (emphasis added). Bear Stearns finished fiscal 2007 with \$17 billion of cash sitting at the parent company level as a "liquidity cushion," he said. *Id.* at ¶¶16-17. Schwartz went on to further state during his interview, "[t]hat cushion has been virtually unchanged. We have \$17 billion or so excess cash on the balance sheet." *Id.* at ¶¶16-17 (emphasis added). On March 12, 2008, following Schwartz' statements on CNBC, plaintiff Greek Orthodox Archdiocese Foundation purchased 50,000 Bear Stearns shares at \$64.67 per share and suffered losses of \$2,729,000 as a result of its transactions in Bear Stearns securities during the Class Period (March 12, 2008 through March 14, 2008).

Not only does SMRS' complaint fail to include the misrepresentations and omissions alleged in Greek Orthodox's complaint, but, and even more significant, SMRS did not purchase any Bear Stearns' securities during the period from March 12, 2008 through and including March 14, 2008. In fact, SMRS's most recent purchase of Bear Stearns' securities was on December 26, 2007, two and a half months prior to the misrepresentations and omissions that are the crux of Greek Orthodox's complaint. *See* Declaration of Andrei V. Rado in Support of the

Motion of SMRS for Consolidation, Appointment as Lead Plaintiff and Approval of Selection of Lead Counsel, Exhibit “B” attached thereto, filed in *Eastside Holdings*, docket no. 23. Greek Orthodox believes these issues, and those addressed in its initial Memorandum of Law would be best addressed by allowing Greek Orthodox to proceed independently of the *Becher* and *Eastside Holdings* cases with the appointment of Greek Orthodox as Lead Plaintiff.

However, in the event the Court determines that the actions should proceed as a single consolidated action based on when class members purchased stock, Movant should be appointed co-Lead Plaintiff for a subclass of purchasers during the March 12-14, 2008 class period since it has the largest financial interest during this time period of any shareholder moving for lead plaintiff. Defendant Bear Stearns, in its Response to Motions to Consolidate the Related Actions, Appoint Lead Plaintiff and Approve Lead Plaintiffs’ Selection of Lead Counsel (“Defendant’s Response”) suggests that any issues concerning the adequacy of SMRS to represent the purchasers during the shorter class period alleged by Greek Orthodox could “be accomplished by designating subclasses within the case, and, if necessary, appointing different co-lead plaintiffs to accommodate distinct concerns. *See* Defendant’s Response filed in *Eastside Holdings*, docket no. 37, and filed in *Greek Orthodox* action, docket no. 25. Movant Greek Orthodox believes this would be appropriate should it be appointed co-Lead Plaintiff to represent purchasers during the shorter class period beginning March 12, 2008 through and including March 14, 2008 (the “Class Period”).

III. CONCLUSION

For the reasons set forth above and in its Memorandum of Law, the Court should: (1) appoint Movant Greek Orthodox Archdiocese Foundation as Lead Plaintiff in this action; (2) approve Movant Greek Orthodox Archdiocese Foundation’s selection of Federman & Sherwood

as Lead Counsel; and (3) grant such other relief as the Court may deem just and proper.

Dated: June 9, 2008

Respectfully submitted,

s/William B. Federman

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CERTIFICATE OF SERVICE

This is to certify that on June 9, 2008, I electronically transmitted this document to the Clerk of Court using the ECF System for filing and transmittal of a Notice of Electronic Filing to the following ECF registrants:

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